## IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

EQUINOX F&B, INC.	8		
	§		
Plaintiff,	§		
	§		
v.	§	CIVIL ACTION NO	
	§		
ROOTS PRESSED JUICES LLC	§		
	<b>§</b>		
Defendant.	§		

### DEFENDANT'S NOTICE OF REMOVAL UNDER 28 U.S.C. § 1441

#### TO THE HONORABLE UNITED STATES DISTRICT JUDGE:

NOW COMES, Roots Pressed Juices LLC ("Roots" or "Defendant"), Defendant herein, pursuant to 28 U.S.C. §§ 1441 and 1446, and gives notice that it hereby removes the case styled *Equinox F&B, Inc. v. Roots Pressed Juices LLC*, Index No. 656484/2021, filed in The Supreme Court of the State of New York, County of New York (the "State Court Action"). As grounds for removal, the Defendant respectfully states the following:

### I. The State Court Action.

- 1. The State Court Action arises out of a dispute concerning Roots' operation and management of five health food and juice bar cafes within five "Equinox Fitness Club" branded health clubs located in Texas.
- 2. On November 12, 2021, Plaintiff Equinox F&B, Inc. ("<u>Equinox</u>") initiated the State Court Action by filing its Complaint in The Supreme Court of the State of New York, County of New York.

- 3. In its Complaint, Plaintiff seeks relief for an alleged breach of contract and seeks to recover "significant damages...punitive damages, legal fees, costs, expenses, interest..." and such other reliefs as it proves itself entitled. *See* Comp., Ex. B-1, ¶35.
- 4. Attached hereto as Exhibits B-1 through B-3 are copies of the process and pleadings outlining the proceedings that have taken place in the State Court Action.

### II. Requirements for Removal

- 5. In accordance with 28 U.S.C. § 1446(a), Roots attaches the following to its Notice of Removal:
  - Exhibit A: Index of all matters filed in the State Court Action that clearly identifies each document and indicates the date the document was filed.
  - Exhibit B: Copies of all process and pleadings in the State Court Action, individually marked in order of filing from B-1 through B-3.
- 6. Plaintiff filed the State Court Action on November 12, 2021. Defendant Roots was served with a copy of the Complaint and Summons on December 29, 2021. Consequently, this Notice of Removal is timely filed pursuant to 28 U.S.C. §1446(b) as it is filed within 30 days after the receipt of the Complaint by the Defendant.
- As set forth in more detail below, this Court would have original jurisdiction of this matter based on diversity jurisdiction pursuant to 28 U.S.C. § 1332(a). Except as otherwise expressly provided by Act of Congress, any civil action brought in the state court of which the district courts of the United States have original jurisdiction may be removed to the district court of the United States for the district and division embracing the place where the action is pending. *See* 28 U.S.C. § 1441. The Southern District of New York is the United States District and Division embracing New York County, New York, the county in which the State Court Action is pending. *See* 28 U.S.C. §112(b).

8. As required by 28 U.S.C. §1446(d), Roots, the removing party, will promptly file a copy of this Notice of Removal with The Supreme Court of the State of New York, County of New York, where the State Court Action is currently pending.

### III. This Court has Jurisdiction Based on Diversity of Citizenship.

9. The district courts of the United States have original jurisdiction over this action because there is complete diversity of citizenship between the parties and the matter in controversy exceeds the sum or value of \$75,000.00 exclusive of interest and costs. 28 U.S.C. § 1332(a).

### A. Complete Diversity of Citizenship Between the Parties.

- 10. Plaintiff Equinox is a Delaware corporation with its principal place of business situated in the County of New York, and State of New York. *See* Comp., Ex. B-1, ¶1. Therefore, Equinox is a citizen of the State of Delaware and New York for diversity purposes. 28 U.S.C. §1332(c)(l).
- 11. Defendant Roots is a Texas limited liability company with its principal place of business in Texas. *See* Comp., Ex. B-1, ¶2. Therefore, Roots is a citizen of the State of Texas for diversity purposes. 28 U.S.C. §1332(c)(l).
- 12. Therefore, at the time the State Court Action was commenced, and at the time of Removal, Defendant Roots is, and currently remains, diverse in citizenship from the Plaintiff. 28 U.S.C. § 1332(a)(1).
- 13. Accordingly, there is complete diversity among the parties.

# B. The Amount in Controversy Exceeds \$75,000.00 Exclusive of Interest and Costs

14. Plaintiff's Complaint does not allege the specific amount of damages it seeks to recover. Upon information and belief, Defendant believes the amount in controversy from Plaintiff's claim and Defendant's counterclaims likely exceed the \$75,000.00 threshold for diversity jurisdiction.

- 15. When the plaintiff's state court petition does not allege the specific amount of damages, a court may determine that removal is proper if it is facially apparent from the petition that the claims are likely above \$75,000.00. *Allen* v. *R* & *H* Oil & Gas Company, 63 F.3d 1326, 1335 (5th Cir. 1995); see also White v. VCI U.S.A., Inc., 319 F.3d 672, 675 (5th Cir. 2003) (to determine the amount in controversy, the court may consider actual damages, exemplary damages and attorney's fees). If the amount in controversy is not apparent from the face of the petition, the court may rely on facts asserted in the removal notice that support a finding of the requisite amount. *Id.* The jurisdictional facts supporting removal must be judged at the time of the removal. *Id.* The defendant may rely on an estimation of damages calculated from the allegations in the compliant. *McPhail* v. *Deere* & Co., 529 F.3d 947, 955 (10th Cir. 2008); See e.g. Luckett v. Delta Airlines, Inc. 171 F.3d 295, 298 (5<sup>th</sup> Cir. 1999) (even though complaint did not state a specific amount, it was evidence that damages were over jurisdictional amount when complaint sought recovery for property damage, travel expenses, medical bills, pain and suffering, and humiliation).
- 16. The State Court Action arises out of a dispute concerning Roots' operation and management of five health food and juice bar cafes within five "Equinox Fitness Club" branded health clubs located in Texas. Plaintiff seeks to recover damages pursuant to a Master Operating Agreement. The Master Operating Agreement provides that the Minimum Fee payable to Equinox is: \$500.00 per month for the Preston Hollow Club; \$2,000.00 per month for the Highland Park Club; \$1,200.00 per month for the Plano Club; \$1,800.00 per month for the Austin Club; and \$2,000.00 per month for the River Oaks Club. In addition to the payment of Minimum Fees, the Master Operating Agreement provides for the payment of a Percentage Fee of between eight to ten percent of Gross Sales from each location.

- Plaintiff alleges Defendant breached the Master Operating Agreement beginning in September 2021. Comp., Ex. B-1, ¶19. Plaintiff alleges the leases for the Preston Hollow Club, Highland Park Club, and Plano Club leases run through February 28, 2022. Comp., Ex. B-1, ¶8. Therefore, Plaintiff is alleging damages of at least \$22,200.00 for these three leases ((\$500.00/mo. + \$2,000.00/mo. + \$1,200.00/mo.) \* 6 months (September 2021 through February 28, 2022)). Plaintiff alleges the lease for the Austin Club ran through November 30, 2021. Comp., Ex. B-1, ¶10. Therefore, Plaintiff is alleging damages of at least \$5,400.00 for the Austin Club lease (\$1,800.00/mo. \* 3 months for September 2021 through November 30, 2021). Plaintiff alleges the lease for the River Oaks Club runs through July 31, 2023. Comp., Ex. B-1, ¶9. Therefore, Plaintiff is alleging damages of at least \$46,000.00 for the River Oaks Club lease (\$2,000.00/mo. \* 23 months for September 2021 through July 31, 2023).
- 18. In addition to the payment of Minimum Fees totaling \$73,600.00, the Master Operating Agreement provides for the payment of a Percentage Fee of between eight to ten percent of Gross Sales from each location.
- 19. In addition to the payment of Minimum Fees and Percentage Fee, Plaintiff alleges that Defendant is responsible for all costs and expenses incurred by Plaintiff, including "reasonable attorneys' fees and expenses." Comp., Ex. B-1, ¶17. Considering a recent study by Lawyer's Mutual has found that New York City has the highest attorney fee hourly rate of any city¹, it is reasonable to estimate Plaintiff's attorney fees in this matter will exceed \$1,500.00, and more likely \$50,000.00. Plaintiff's claim for Minimum Fees plus attorney fees cause the amount in controversy to exceed \$75,000.00.

<sup>&</sup>lt;sup>1</sup> https://www.lawyersmutualnc.com/blog/top-10-lawyer-hourly-rates-by-city

- 20. Plaintiff also alleges material disruption to Equinox F&B's operations and material damage to Equinox F&B's business reputation. Comp., Ex. B-1, ¶29-30. Finally, in addition to attorney fees, Plaintiff seeks to recover "significant damages" including "punitive damages". Ex. B-1, ¶35.
- 21. In addition to Plaintiff's claims, Defendant will file counter claims in this matter. Defendant seeks to recover at least \$44,000.00 for perishable inventory that Equinox caused to spoil or failed to adequately safeguard. Defendant will also seek to recover equipment wrongfully held by Equinox with a value of at least \$45,000.00. Defendant will also seek to recover its own attorney fees and other damages to which it is entitled.
- 22. Therefore, considering Plaintiff's claim for Minimum Fees of \$73,600.00 per year under the Master Operating Agreement (plus the payment of Percentage Fees), reasonably estimated Plaintiff's attorney fee claim of at least \$50,000.00, Plaintiff's claim for exemplary damages, Defendant's counterclaims of at least \$89,000.00 for the loss of perishable inventory and wrongfully held equipment plus other damages to which it is entitled, Defendant has established the amount in controversy exceeds \$75,000.00, exclusive of interest and costs.

### IV. Conclusion.

23. Because there is complete diversity amongst the parties and the amount in controversy exceeds \$75,000.00, diversity jurisdiction exists and this Court has subject matter jurisdiction over the case.

### V. Prayer.

24. WHEREFORE, pursuant to 28 U.S.C. §§ 1332(a)(1), 1367, 1441 and 1446 and in conformance with the requirements set forth in 28 U.S.C. §1446, Defendant Roots Pressed Juices LLC hereby removes the case styled *Equinox F&B*, *Inc. v. Roots Pressed Juices LLC*, Index No. 656484/2021, filed in The Supreme Court of the State of New York, County of New York, to the

United States District Court for the Southern District of New York, so that this Court may assume jurisdiction over the cause as provided by law.

Respectfully Submitted,

Roots Pressed Juices LLC

By: /s/ Benjamin R. Idziak

Benjamin R. Idziak

Benjamin R. Idziak, PC New York Bar No. 1531029 Texas Bar No. 10383550 P. O. Box 671

Bedford, TX 76095 Ph. (469) 635-8218

Email: bidziak@bmandg.com

### **CERTIFICATE OF SERVICE**

I hereby certify that on January 26, 2022, I presented the foregoing to the Clerk of Court for filing and uploading to the CM/ECF system, which shall send notification of such filing to the following:

(None)

I hereby certify that on January 26, 2022, I mailed the document by United States Postal Service to the following non CM/ECF participants:

LaRocca Hornik Rosen & Greenberg LLP Rose Greenberg Patrick McPArtland 40 Wall Street, 32<sup>nd</sup> Floor New York, NY 10005

T: (212) 530-4826, 4837 E: rgreenberg@lhrgb.com E: pmcpartland@lhrgb.com

## IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

EQUINOX F&B, INC.	§		
	§		
Plaintiff,	§		
	§		
v.	§	CIVIL ACTION NO	
	§		
ROOTS PRESSED JUICES LLC	§		
	§		
Defendant.	§		

## INDEX OF MATTERS FILED IN STATE COURT ACTION PURSUANT TO NOTICE OF REMOVAL

### TO THE HONORABLE UNITED STATES DISTRICT JUDGE:

NOW COMES, Roots Pressed Juices LLC ("Roots" or "Defendant"), Petitioner for Removal, and make and file this *Index of Matters Filed in State Court Action Pursuant to Notice of Removal* as follows:

The documents filed concurrently with this index include:

- 1. Exhibit B-1: Summon and Complaint; and
- 2. Exhibit B-2: Affidavit of Service filed January 11, 2022.
- 3. Exhibit B-3: Affidavit of Service by Mail file January 20, 2022.

ILED: NEW YORK COUNTY CLERK 11/12/2021 04:55 PM INDEX NO. 656484/2021

SUPREME COURT OF THE STATE OF NEW YORK COUNTY OF NEW YORK	
EQUINOX F&B, INC.	Index No.:
Plaintiff,	<u>SUMMONS</u>
- against -	Plaintiffs designate New York County as the place of trial. The
ROOTS PRESSED JUICES LLC,	basis for venue is CPLR §501- contractual provisions fixing
Defendant.	venue.
To the above-named Defendant:	

YOU ARE HEREBY SUMMONED to answer the complaint in this action and to serve a copy of your answer, or, if the complaint is not served with this summons, to serve a notice of appearance, on the plaintiff's attorney within 20 days after the service of this summons, exclusive of the day of service (or within 30 days after the service is complete if this summons is not personally delivered to you within the State of New York); and in case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint.

Dated: New York, New York November 12, 2021

LAROCCA HORNIK ROSEN & GREENBERG LLP

Rose Greenberg
Patrick McPartland
40 Wall Street, 32<sup>nd</sup> Floor
New York, NY 10005

T: (212) 530-4826, 4837 E: rgreenberg@lhrgb.com pmcpartland@lhrgb.com

Attorney for plaintiff

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COUNTY OF NEW YORK	
EQUINOX F&B, INC.  Plaintiff,	Index No
- against -	COMPLEMENT
ROOTS PRESSED JUICES LLC,	
Defendant.	X

Plaintiff Equinox F&B Inc. ("Equinox F&B"), by and through its attorneys, LaRocca Hornik Rosen & Greenberg LLP, complaining of the defendant Roots Pressed Juices LLC ("Roots") sets forth and alleges the following as and for its complaint:

### THE PARTIES, JURISDICTION, AND VENUE

- 1. Equinox F&B is a Delaware corporation with its principal place of business situated in the County of New York, and State of New York.
- 2. Roots is a Texas limited liability company with its principal place of business situated in the County of Dallas, and State of Texas.
- 3. Jurisdiction and venue are proper in this Court because the parties agreed in writing, before this action was commenced, that any actions arising out of the parties' Agreement (defined below) shall be brought exclusively in a court of competent jurisdiction, state or federal, located in New York County.

### **Background**

4. On or around February 7, 2019, Roots entered into a Master Operating Agreement with Equinox F&B (the "Master OA"), pursuant to which Roots assumed management and

operation of a number of health food and juice bar cafés (each, an "Equinox F&B Café") within

certain "Equinox Fitness Club"-branded health clubs.

5. Specifically, pursuant to the terms and conditions of the Master OA, Roots began

operating and managing three Equinox F&B Cafes located, respectively, at 4023 Oak Lawn

Avenue Dallas, Texas; 8601-8699 Hillcrest Road, Preston Hollow, Dallas, Texas; and The Shops

at Willow Bend, at 6109 West Park Boulevard, Plano, Texas (collectively, the "First Three

Equinox F&B Cafés").

6. On or about September 7, 2019, Roots and Equinox F&B agreed to a written

modification of the Master OA (the "First Modification to Master OA"), pursuant to which Roots

assumed the operation and management of a fourth Equinox F&B Café located at 4444

Westheimer Road, River Oaks, Houston, Texas (the "River Oaks Equinox F&B Café").

7. On or about July 6, 2020, Roots and Equinox F&B entered into a second written

modification to the Master OA (the "Second Modification to Master OA"; together with the Master

OA and the First Modification to Master OA, constituting the "Agreement"), pursuant to which

Roots assumed the operation of a fifth Equinox F&B Café located at 1007 South Congress Avenue,

Austin, Texas (the "Austin Equinox F&B Café"; together with the First Three Equinox F&B Cafes

and the River Oaks Equinox F&B Café, the "Equinox F&B Cafes").

8. Pursuant to the Agreement, the term for the First Three Equinox F&B Cafes was

set to expire on February 28, 2022.

9. Pursuant to the Agreement the term for the River Oaks Equinox F&B Café was set

to expire on July 31, 2023.

10. Pursuant to the Agreement, the term for the Austin Equinox F&B Café was set to

expire on November 30, 2021.

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ILED: NEW YORK COUNTY CLERK 11/12/2021 04:55 PM INDEX NO

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WYSCEF: 11/12/20

11. Pursuant to the terms of the Agreement, in consideration for Roots' use of the

Equinox F&B Cafés to sell food and beverage items and generate revenue therefrom, Roots

covenanted and agreed to pay certain minimum license fees on the first day of each month in the

amounts specified in the Agreement.

12. Specifically, Section 4(B) of the Master OA provides that Roots shall pay to

Equinox F&B the minimum annual license fee in monthly installments, in arrears, not later than

the fifth (5<sup>th</sup>) day of each month (the "Minimum Monthly License Fee") during the term of the

Agreement.

13. Roots does not have the right under the Agreement to cease operating and managing

the Equinox F&B Cafés or to stop paying the Minimum Monthly License Fees before expiration

of the applicable term.

14. Roots was under a duty to operate, control, supervise, manage, and maintain the

Equinox F&B Cafes until the expiration of the applicable term.

15. Section I(G) of the Agreement provides that "if Operator shall vacate or abandon

the [Equinox F&B Venues] prior to the Expiration Date of the Term, title to [all café equipment]

automatically shall vest in Equinox without payment of compensation and Operator confirms that

it shall have no further right to any such [café equipment]."

16. Pursuant to Section 6 of the Master OA, Roots' payment obligations with respect

to the Minimum Monthly License Fees continue regardless of any purported termination of the

Agreement.

17.

Pursuant to Section 9 of the Master OA, a defaulting party is responsible for all

costs and expenses incurred by the other in connection with seeking to enforce the terms of the

Agreement, including, but not limited to, reasonable attorneys' fees and expenses.

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TILED: NEW YORK COUNTY CLERK 11/12/2021 04:55 PM INDEX NO. 656484/2021

SCEF DOC. NO. Case 1:22-cv-00681-AS Document 1 Filed 01/26/22 Page 13 of 27 NYSCEF: 11/12/2

18. Pursuant to Section 6 of the Master Operating Agreement, Equinox F&B has the exclusive right terminate the Agreement immediately and without notice to Roots if Equinox F&B "determines in its sole discretion, at any time during the Term that the continued relationship with

Operator creates legal risks or liabilities for Equinox."

**Roots Abandons the Operations of the Cafes** 

19. On or about September 2, 2021, Roots precipitously and without any prior notice

to Equinox F&B, abandoned operation of the Equinox F&B Café located in Plano, Texas.

20. That same day, Roots unequivocally stated in writing that it was abandoning,

vacating, and ceasing operations at all Equinox F&B in thirty days.

21. Neither the Agreement nor any related agreement between Equinox F&B and Roots

permitted Roots to cease operations before expiration of the agreed upon term.

22. On the evening of September 2, 2021, Roots' staff entered into the Plano Equinox

F&B Café and unlawfully removed café equipment without notice, consent, or authority.

23. On September 3, 2021, Roots' staff also entered the River Oaks Equinox F&B and

Preston Hollow Equinox F&B Café and unlawfully attempted to take equipment without notice,

consent, or authority.

24. On the weekend of September 11, 2021, Roots entered the Highland Park, Texas

location and unlawfully removed equipment and locked various cabinets without notice, consent,

or authority.

25. Equinox F&B reported these unlawful actions to the police.

26. Equinox F&B repeatedly demanded Roots to cease its unlawful activities, but Roots

ignored those demands.

27. As a result of its actions, Roots breached the Agreement.

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28. Roots intentionally breached the Agreement and acted with malice, recklessness, and willful disregard by stealing the café equipment.

- 29. Roots' actions resulted in material disruptions to Equinox F&B's operations.
- 30. Roots' conduct has materially damaged Equinox F&B's business reputation.

### AS AND FOR A FIRST CAUSE OF ACTION (Breach of Contract against Roots)

- 31. Paragraphs 1 through 30 are realleged.
- 32. The Agreement between Equinox F&B and Roots was a valid contract between the parties.
  - 33. Equinox F&B fully performed its obligations under the Agreement.
  - 34. Roots breached the Agreement by its unlawful actions.
- As a result of Roots' breaches of the Agreement, Equinox F&B has incurred 35. significant damages in an amount to be determined at trial, punitive damages, legal fees, costs, expenses, interest, and such other and further relief as this Court deems just and proper.

WHEREFORE, Plaintiff Equinox F&B hereby demands judgment against defendant Roots as follows:

- On the First Cause of Action, awarding damages in an amount to be determined at (a) trial;
- (b) Granting such other relief as the Court deems just and proper.

FILED: NEW YORK COUNTY CLERK 11/12/2021 04:55 POUNTS CASE 1:22-cv-00681-AS Document 1 Filed 01/26/22 INDEX NO. 656484/2021

Dated: New York, New York November 12, 2021

> LAROCCA HORNIK ROSEN & GREENBERG LLP

Rose Greenberg Patrick McPartland 40 Wall Street, 32nd Floor

New York, NY 10005 T: (212) 530-4826, 4837

E: rgreenberg@lhrgb.com pmcpartland@lhrgb.com

Attorney for plaintiff

DOC.

INDEX NO. 656484/2021

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SUPREME COURT OF THE STATE OF NEW YORK COUNTY OF NEW YORK

Attorney: LAROCCA HORNIK ROSEN &

**GREENBERG LLP** 

EQUINOX F88, INC.

Plaintiff(s)

The papers served bore the index # and

date of filling

Index # 656484/2021

- against -

Purchased November 12, 2021

ROOTS PRESSED JUICES LLC

Defendant(s)

AFFIDAVIT OF SERVICE

: COUNTY OF

NG DULY SWORN DEPOSES AND SAYS DEPONENT IS NOT A PARTY TO THIS ACTION. OVER THE AGE OF EEN YEARS AND RESIDES AT AXAhachie, TX

That on December 29, 2021 at 12:55 PM at

4164 N. CENTRAL EXPRESSWAY DALLAS, TX 75204

described served the within SUMMONS AND VERIFIED COMPLAINT WITH NOTICE OF ELECTRONIC FILING (MANDATORY) on ROOTS PRESSED JUICES LLC therein named.

> BY LEAVING A TRUE COPY WITH KATE DELEON, MANAGER, BEING AUTHORIZED TO ACCEPT LEGAL PAPERS STATED

Deponent further states that he describes the person actually served as follows:

Sex Skin Color Hair Color Age (Approx.) Height (Approx.) Weight (Approx) FEMALE TAN BLACK 28 55 110

> SUNNY S. BUSKIRK iotary Public, State of Texas omm. Expires 03-24-2024 Notary ID 126457653

UNITED PROCESS SERVICE, INC., 225 BROADWAY, SUITE 440, NEW YORK, NY 10007 - (212) 619-0728 NYCDCA#1102045

TILED: NEW YORK COUNTY CLERK 01/11/2022 09:45 AM

VSCEF DOG. NO. CASE 1:22-CV-00681-AS DOCUMENT 1 Filed 01/26/22 Page 17 of 27
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COUNTY OF NEW YORK	AI	GREENBERG LLP
EQUINOX F&B, INC.  - against -	Plaintiff(s)	The papers served bore the index # and date of filing. Index # 656484/2021
ROOTS PRESSED JUICES LLC		Purchased November 12, 2021
· · · · · · · · · · · · · · · · · · ·	Defendant(s)	Mail Date January 3, 2022

AFFIDAVIT OF MAILING

STATE OF NEW YORK: COUNTY OF NEW YORK ss:

CHRISTOPHER J. KLEIN BEING DULY SWORN DEPOSES AND SAYS DEPONENT IS NOT A PARTY TO THIS ACTION, OVER THE AGE OF EIGHTEEN YEARS AND RESIDES IN THE STATE OF NEW YORK.

That on January 3, 2022 at a regular depository maintained by the United States Post Office deponent mailed a copy of the SUMMONS AND VERIFIED COMPLAINT WITH NOTICE OF ELECTRONIC FILING (MANDATORY) to ROOTS PRESSED JUICES LLC at

4164 N. CENTRAL EXPRESSWAY

ATTN: ALL MEMBERS DALLAS, TX 75204

Copy was mailed REGULAR FIRST CLASS MAIL, and was marked personal & confidential and not indicating on the outside thereof, by return address or otherwise that said notice is from an attorney or concerns an action against the person to be served.

Sworn to me-en: January 3, 2022

JOSEPH KNICHT \
Notary Pyblic, State of New York
No. 01KN6178241

Qualified In New York County
Commission Expires November 26, 2023

Qualified in Bronx County
Commission Expires April 3, 2023

VINETTA BREWER
Notary Public, State of New York
No. 01BR4949206
Qualified in Bronx County
Commission Expires April 3, 2023

CHRISTOPHER J. KLEIN

License #: 1188546 Invoice #: 776896

UNITED PROCESS SERVICE, INC., 225 BROADWAY, SUITE 440, NEW YORK, NY 10007 - (212) 619-0728 NYCDCA#1102045

INDEX NO. 656484/2021

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RECEIVED MYSCEF: 01/20/2022

### **AFFIDAVIT OF SERVICE BY MAIL**

STATE OF NEW YORK )
ss.:
COUNTY OF NEW YORK)

I, Amanda Lopez, being duly sworn, depose and say: I am not a party to the action, am over 18 years of age, and reside in Queens County, New York.

On January 18, 2022, I served the within CPLR 3215 NOTICE with SUMMONS & COMPLAINT by depositing a true copy of same, enclosed in a post-paid wrapper addresses as shown below, in an official depository under the exclusive care and custody of the U.S. Postal Service within New York State, addressed to the following persons at the addresses set forth below:

To: Roots Pressed Juices LLC
4164 N. Central Expressway
Dallas, TX 75204
Attn: Brent Rodgers

Amanda Lopez

Sworn to before me this 18<sup>th</sup> day of January 2022

Notary Public

DAVID N. KITTREDGE
Notary Public - State of New York
No. 02KI5034756
Qualified in New York County
My Commission Expires Oct. 17, 20

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LAROCCA HORNIK ROSEN GREENBERG LLP

**COUNSELORS AT LAW** 

THE TRUMP BUILDING 40 WALL STREET 32ND FLOOR New York, NY 10005 212.530.4823 212.530.4815 FAX

LHRGB.COM

FREEHOLD COMMONS 83 SOUTH STREET 3RD FLOOR FREEHOLD, NJ 07728 732.409.1144 732.409.0350 FAX

PRIVATE LENDER GROUP 212.536.3529 732.625.2463 FAX

Frank J. LaRocca ‡0 Jonathan L. Hornik LAWRENCE S. ROSEN ROSE GREENBERG A AMY D. CARLIN A PATRICK MCPARTLAND A DAVID N. KITTREDGE A JARED E. BLUMETTI FAISAL R. LATEEF A SANFORD HAUSLER A Bryan A. Christenson Jason W. Moussourakis a STAN SHAROVSKIY A Peter Kelegian A Drew Tanner # LAUREN WEISSMAN-FALK Andrew Selevan **NELSON DIAZ** DOROTHY BROWN DUNCAN

△ New York Bar Only

† New Jersey Bar Only

◊ OF Counsel Attorneys

◊ Certified Matrimonial Law Attorney

DIRECT DIAL: 212.530.4829

EMAIL: RGREENBERG@LHRGB.COM

January 18, 2022

#### VIA REGULAR MAIL

Roots Pressed Juices LLC 4164 N. Central Expressway Dallas, TX 75204 Attn: Brent Rodgers

Re:

Equinox F&B, Inc. v. Roots Pressed Juices LLC

Supreme Court, New York County Index No. 656484/21

Dear Sir/Madam:

Pursuant to § 3215 of the New York Civil Practice Law and Rules, we are enclosing an additional copy of the Summons and Complaint previously served on you on December 29, 2021.

Please proceed accordingly.

Very truly yours,

Rose Greenborg A.L. Rose Greenberg

**Enclosures:** 

COUNTY

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NYSCEF DOC. NO. 1

RECEIVED NYSCEF: 11/12/2021

SUPREME COURT OF THE STATE OF NEW YORK	
EQUINOX F&B, INC.	Index No.:
Plaintiff,	<u>SUMMONS</u>
- against -	Plaintiffs designate New York County as the place of trial. The
ROOTS PRESSED JUICES LLC,	basis for venue is CPLR §501- contractual provisions fixing
Defendant.	venue.
To the above-named Detendant:	*7

YOU ARE HEREBY SUMMONED to answer the complaint in this action and to serve a copy of your answer, or, if the complaint is not served with this summons, to serve a notice of appearance, on the plaintiff's attorney within 20 days after the service of this summons, exclusive of the day of service (or within 30 days after the service is complete if this summons is not personally delivered to you within the State of New York); and in case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint.

Dated: New York, New York November 12, 2021

> LAROCCA HORNIK ROSEN & GREENBERG LLP

Rose Greenberg

Patrick McPartland

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FILED: NEW YORK COUNTY CLERK 01/20/2022 05:13 PM Case 1:22-cv-00681-AS Document 1 Filed 01/26/22 FILED: NEW YORK COUNTY CLERK 11/12/2021 04:55 PM

CURRENCE COURT OF THE CTATE OF MENU MORK

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COUNTY OF NEW YORK	
EQUINOX F&B, INC.	
	Index No.
Plaintiff,	COMPLANT
- against -	<u>COMPLAINT</u>
ROOTS PRESSED JUICES LLC,	
Defendant.	

Plaintiff Equinox F&B Inc. ("Equinox F&B"), by and through its attorneys, LaRocca Hornik Rosen & Greenberg LLP, complaining of the defendant Roots Pressed Juices LLC ("Roots") sets forth and alleges the following as and for its complaint:

#### THE PARTIES, JURISDICTION, AND VENUE

- 1. Equinox F&B is a Delaware corporation with its principal place of business situated in the County of New York, and State of New York.
- 2. Roots is a Texas limited liability company with its principal place of business situated in the County of Dallas, and State of Texas.
- 3. Jurisdiction and venue are proper in this Court because the parties agreed in writing, before this action was commenced, that any actions arising out of the parties' Agreement (defined below) shall be brought exclusively in a court of competent jurisdiction, state or federal, located in New York County.

#### **Background**

4. On or around February 7, 2019, Roots entered into a Master Operating Agreement with Equinox F&B (the "Master OA"), pursuant to which Roots assumed management and

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operation of a number of health food and juice bar cafés (each, an "Equinox F&B Café") within certain "Equinox Fitness Club"-branded health clubs.

- 5. Specifically, pursuant to the terms and conditions of the Master OA, Roots began operating and managing three Equinox F&B Cafes located, respectively, at 4023 Oak Lawn Avenue Dallas, Texas; 8601-8699 Hillcrest Road, Preston Hollow, Dallas, Texas; and The Shops at Willow Bend, at 6109 West Park Boulevard, Plano, Texas (collectively, the "First Three Equinox F&B Cafés").
- 6. On or about September 7, 2019, Roots and Equinox F&B agreed to a written modification of the Master OA (the "First Modification to Master OA"), pursuant to which Roots assumed the operation and management of a fourth Equinox F&B Café located at 4444 Westheimer Road, River Oaks, Houston, Texas (the "River Oaks Equinox F&B Café").
- 7. On or about July 6, 2020, Roots and Equinox F&B entered into a second written modification to the Master OA (the "Second Modification to Master OA"; together with the Master OA and the First Modification to Master OA, constituting the "Agreement"), pursuant to which Roots assumed the operation of a fifth Equinox F&B Café located at 1007 South Congress Avenue, Austin, Texas (the "Austin Equinox F&B Café"; together with the First Three Equinox F&B Cafes and the River Oaks Equinox F&B Café, the "Equinox F&B Cafes").
- 8. Pursuant to the Agreement, the term for the First Three Equinox F&B Cafes was set to expire on February 28, 2022.
- 9. Pursuant to the Agreement the term for the River Oaks Equinox F&B Café was set to expire on July 31, 2023.
- 10. Pursuant to the Agreement, the term for the Austin Equinox F&B Café was set to expire on November 30, 2021.

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amounts specified in the Agreement.

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11. Pursuant to the terms of the Agreement, in consideration for Roots' use of the Equinox F&B Cafés to sell food and beverage items and generate revenue therefrom, Roots covenanted and agreed to pay certain minimum license fees on the first day of each month in the

- 12. Specifically, Section 4(B) of the Master OA provides that Roots shall pay to Equinox F&B the minimum annual license fee in monthly installments, in arrears, not later than the fifth (5<sup>th</sup>) day of each month (the "Minimum Monthly License Fee") during the term of the Agreement.
- 13. Roots does not have the right under the Agreement to cease operating and managing the Equinox F&B Cafés or to stop paying the Minimum Monthly License Fees before expiration of the applicable term.
- 14. Roots was under a duty to operate, control, supervise, manage, and maintain the Equinox F&B Cafes until the expiration of the applicable term.
- 15. Section I(G) of the Agreement provides that "if Operator shall vacate or abandon the [Equinox F&B Venues] prior to the Expiration Date of the Term, title to [all café equipment] automatically shall vest in Equinox without payment of compensation and Operator confirms that it shall have no further right to any such [café equipment]."
- 16. Pursuant to Section 6 of the Master OA, Roots' payment obligations with respect to the Minimum Monthly License Fees continue regardless of any purported termination of the Agreement.
- 17. Pursuant to Section 9 of the Master OA, a defaulting party is responsible for all costs and expenses incurred by the other in connection with seeking to enforce the terms of the Agreement, including, but not limited to, reasonable attorneys' fees and expenses.

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18. Pursuant to Section 6 of the Master Operating Agreement, Equinox F&B has the exclusive right terminate the Agreement immediately and without notice to Roots if Equinox F&B "determines in its sole discretion, at any time during the Term that the continued relationship with Operator creates legal risks or liabilities for Equinox."

### Roots Abandons the Operations of the Cafes

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- 19. On or about September 2, 2021, Roots precipitously and without any prior notice to Equinox F&B, abandoned operation of the Equinox F&B Café located in Plano, Texas.
- 20. That same day, Roots unequivocally stated in writing that it was abandoning, vacating, and ceasing operations at all Equinox F&B in thirty days.
- 21. Neither the Agreement nor any related agreement between Equinox F&B and Roots permitted Roots to cease operations before expiration of the agreed upon term.
- 22. On the evening of September 2, 2021, Roots' staff entered into the Plano Equinox F&B Café and unlawfully removed café equipment without notice, consent, or authority.
- 23. On September 3, 2021, Roots' staff also entered the River Oaks Equinox F&B and Preston Hollow Equinox F&B Café and unlawfully attempted to take equipment without notice, consent, or authority.
- 24. On the weekend of September 11, 2021, Roots entered the Highland Park, Texas location and unlawfully removed equipment and locked various cabinets without notice, consent, or authority.
  - 25. Equinox F&B reported these unlawful actions to the police.
- 26. Equinox F&B repeatedly demanded Roots to cease its unlawful activities, but Roots ignored those demands.
  - 27. As a result of its actions, Roots breached the Agreement.

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- 28. Roots intentionally breached the Agreement and acted with malice, recklessness, and willful disregard by stealing the café equipment.
  - 29. Roots' actions resulted in material disruptions to Equinox F&B's operations.
  - 30. Roots' conduct has materially damaged Equinox F&B's business reputation.

## AS AND FOR A FIRST CAUSE OF ACTION (Breach of Contract against Roots)

- 31. Paragraphs 1 through 30 are realleged.
- 32. The Agreement between Equinox F&B and Roots was a valid contract between the parties.
  - 33. Equinox F&B fully performed its obligations under the Agreement.
  - 34. Roots breached the Agreement by its unlawful actions.
- 35. As a result of Roots' breaches of the Agreement, Equinox F&B has incurred significant damages in an amount to be determined at trial, punitive damages, legal fees, costs, expenses, interest, and such other and further relief as this Court deems just and proper.

WHEREFORE, Plaintiff Equinox F&B hereby demands judgment against defendant Roots as follows:

- (a) On the First Cause of Action, awarding damages in an amount to be determined at trial;
- (b) Granting such other relief as the Court deems just and proper.

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Dated: New York, New York November 12, 2021

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